

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 01917 01 OF 02 121443Z

45

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 AGR-20 TAR-02 ARA-16 COME-00

TRSE-00 STR-08 FTC-01 OMB-01 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 SAM-01 CIEP-02 DRC-01 /166 W

----- 002968

R 121432Z FEB 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 7913

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 01917

E.O. 11652: N/A

TAGS: AORG, EIND

SUBJECT: RUBBER: STEERING COMMITTEE MEETING

REF: LONDON 1765

1. THERE FOLLOWS TEXT OF BRITISH PAPER MENTIONED IN
REFTEL.

"RECOMMENDATION NO. 22 IN THE REPORT OF THE COMMITTEE
OF EXPERTS URGES THAT 'ALL DISCRIMINATORY MEASURES
AGAINST NR AND SR SHOULD BE ABOLISHED.' THE REPORT DOES
NOT DILATE ON WHAT THE COMMITTEE SAW AS DISCRIMINATORY
MEASURES BUT THEY ARE UNDERSTOOD TO BE CONFINED TO
LEVELS OF TARIFFS AGAINST CERTAIN TYPES OF PROCESSED
NATURAL RUBBERS.

"WITH THE EXCEPTION OF ARGENTINA, WHERE TOTAL IMPORTS
ARE NOT SIGNIFICANT (LESS THAN 30,000 METRIC TONS PER
ANNUM), RAW NR IS ADMITTED FREE. THE CHIEF COMPLAINT
WHICH NR PRODUCERS HAVE VOICED IN THE PAST IS THE
PRACTICE OF ONE OR TWO COUNTRIES OF CLASSIFYING
SUPERIOR PROCESSED VARIETIES OF NR AS MANUFACTURES
ATTRACTING IMPORT DUTY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 01917 01 OF 02 121443Z

"THIS HAS IN THE PAST BEEN THE CASE IN THE UNITED STATES WHERE THE PRESENT SITUATION APPEARS TO BE THAT PROCESSED NR CONTAINING SMALL QUANTITIES OF ADDITIVES (E.G. SUPERIOR PROCESSED, OIL-EXTENDED AND CARBON BLACK MASTERBATCH CARRIES A 5 PERCENT DUTY CALCULATED ON THE WHOLE WEIGHT OF THE PROCESSED RUBBER. THE 5 PERCENT AD VALOREM LEVEL, BASED ON THE NEW YORK FOB PRICE OF NATURAL RUBBER, STEMS FROM THE LAST KENNEDY ROUND FOR TARIFF REDUCTIONS. PRIOR TO THEN, THE DUTY HAD BEEN 10 PERCENT AD VALOREM. THE CLASSIFICATION OF HIGH-GRADE CONSTANT VISCOSITY RUBBER WAS IN DOUBT AT ONE STAGE BUT AN APPEAL AGAINST A PROPOSAL TO IMPOSE A DUTY WAS SUCCESSFUL. MG RUBBERS (GRAFT POLYMER COMPOUNDS) ARE CLASSIFIED AS A MIXTURE OF RUBBER AND PLASTICS AND COME UNDER AN ENTIRELY DIFFERENT TARIFF HEADING, CARRYING A DUTY OF 20 PERCENT AD VALOREM ON THE TOTAL WEIGHT. AT PRESENT THIS PARTICULAR TYPE OF RUBBER IS PRODUCED ONLY IN VERY LIMITED AMOUNTS FOR SPECIALIZED PURPOSES.

"ATTEMPTS HAVE BEEN MADE TO SECURE LEGISLATION UNDER WHICH ALL FORMS OF NR WOULD HAVE BEEN ADMITTED FREE OF DUTY BUT A BILL WHICH WAS BEFORE CONGRESS A FEW YEARS AGO WAS OPPOSED AND WAS NEVER ENACTED. HOWEVER, THERE IS NOW ON ITS WAY THROUGH CONGRESS ANOTHER MEASURE - THE TRADE REFORM BILL - WHICH HAS BEEN PASSED BY THE HOUSE OF REPRESENTATIVES AND WHICH, IF PASSED IN ITS PRESENT FORM BY THE SENATE, WOULD ELIMINATE ALL TARIFFS UP TO AND INCLUDING 5 PERCENT AD VALOREM. THIS WOULD PERMIT THE FREE ENTRY OF SP RUBBERS, OENR AND CARBON BLACK MASTERBATCH. MOREOVER, THE BILL PROVIDES FOR THE ABOLITION FOR A PERIOD OF TEN YEARS OF ALL IMPORT DUTIES ON MATERIALS FROM DEVELOPING

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 01917 02 OF 02 121441Z

45

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 AGR-20 TAR-02 ARA-16 COME-00

TRSE-00 STR-08 FTC-01 OMB-01 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 SAM-01 CIEP-02 DRC-01 /166 W

----- 002971

R 121432Z FEB 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 7914

LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 01917

COUNTRIES. THIS PROVISION, IF ENACTED, WOULD MEAN, PRESUMABLY, THAT MATERIALS SUCH AS MG RUBBERS WOULD BE FREE OF TARIFFS FOR A PERIOD OF AT LEAST TEN YEARS.

"TO SUM UP, THERE APPEARS TO BE NO STRONG FEELING AMONG NR AND SR PRODUCERS ABOUT LEVELS OF TARIFFS GENERALLY. IN THE CASE OF CERTAIN USA DUTIES WHICH SOME PRODUCERS HAVE SUGGESTED SHOULD BE ABOLISHED, THERE IS A CLEAR PROSPECT THAT THIS WILL HAPPEN IF LEGISLATION NOW BEFORE CONGRESS IS ENACTED."

2. MCMULLAN SAID THAT HE TURNING PAPER OVER TO ADAMS WITH A REQUEST THAT IT NOT BE ISSUED UNTIL END OF WEEK. SHOULD THERE BE ANY U.S. CORRECTIONS AND ADDITIONS DESIRED, THIS WOULD GIVE OPPORTUNITY TO MAKE THEM PRIOR TO CIRCULATION OF PAPER TO MEMBERS.

3. COMMENT - WE TOLD MCMULLAN THAT U.S. WOULD PROBABLY WISH ADDRESS THIS ISSUE IN STEERING COMMITTEE. AT THAT TIME WE RECOMMEND THAT U.S. SEEK TO KILL ANY FURTHER ACTION ON RECOMMENDATION. WHILE U.K. CARRIED OUT ITS MANDATE TO FIND OUT WHAT WAS BEHIND EXPERTS GROUP RECOMMENDATION, LANGUAGE EMPLOYED BY EXPERTS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 01917 02 OF 02 121441Z

FAR BROADER IN SCOPE AND WOULD ENCOMPASS FAR MORE THAN U.S. TARIFF TREATMENT OF CERTAIN PROCESSED RUBBERS. LATTER IS NOT DISCRIMINATORY IN ANY MEANINGFUL SENSE, HENCE NOT WITHIN PURVIEW OF EXPERTS RECOMMENDATION. IF STEERING COMMITTEE NOT WILLING DROP RECOMMENDATION, WE WOULD REQUEST SECRETARIAT TO CARRY OUT A FAR BROADER SURVEY WHICH WOULD ENCOMPASS ALL AREAS OF DISCRIMINATION, E.G. IMPORT TREATMENT OF SYNTHETIC BY PRODUCING COUNTRIES.

ANNENBERG

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RUBBER, CUSTOMS DUTIES, IMPORTS, LAW, RUBBER PRODUCTS, SYNTHETIC RUBBERS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON01917
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740239/aaaabkre.tel
Line Count: 167
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: LONDON 1765
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 20 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUN 2002 by boyleja>; APPROVED <26 JUN 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RUBBER: STEERING COMMITTEE MEETING
TAGS: AORG, EIND, UK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005